

Executive Summary – Enforcement Matter – Case No. 47855

GSF Energy, L.L.C.

RN100222710

Docket No. 2013-1983-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

McCarty Road Landfill Gas Recovery Facility, 9416 Ley Road, Houston, Harris County

Type of Operation:

Landfill gas recovery facility

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: August 1, 2014

Comments Received: No

Penalty Information

Total Penalty Assessed: \$27,282

Amount Deferred for Expedited Settlement: \$5,456

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$21,826

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2011

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: June 27, 2013

Date(s) of NOE(s): August 28, 2013

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Docket No. 2013-1983-AIR-E

Violation Information

1. Failed to comply with the maximum allowable emissions rates for Emissions Point Numbers ("EPNs") 6A and 6B during a quarterly engine test conducted on March 29, 2012. Specifically, EPN 6A exceeded the carbon monoxide ("CO") emissions rate of 4.85 pounds per hour ("lbs/hr") by 2.58 lbs/hr, the 2.0 grams of CO/brake horsepower-hour ("bhp-hr") limit by 1.06 grams of CO/bhp-hr, the nitrogen oxides ("NOx") emissions rate of 3.64 lbs/hr by 0.76 lb/hr, and the 1.5 grams of NOx/bhp-hr limit by 0.31 gram of NOx/bhp-hr, and EPN 6B exceeded the NOx emissions rate of 4.62 lbs/hr by 0.29 lb/hr and the 1.5 grams of NOx/bhp-hr limit by 0.08 gram of NOx/bhp-hr, resulting in the release of approximately 5,635 lbs of CO and 2,293 lbs of NOx [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 9635, Special Conditions ("SC") Nos. 1 and 2, and Federal Operating Permit ("FOP") No. O1512, Special Terms and Conditions ("STC") No. 7].
2. Failed to maintain records of the inlet gas temperature readings, pressure gauge readings, and incinerator firebox temperature readings. Specifically, records of the inlet fuel gas temperature readings, the monitored pressure gauge located between the rupture disc and the safety relief valve, and the incinerator firebox temperature readings demonstrating that the incinerator was operated with 99.5% efficiency were not maintained [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 9635, SC Nos. 12A(4) and (5), and FOP No. O1512, STC Nos. 6 and 7].
3. Failed to report all instances of deviations. Specifically, the semiannual deviation report for the reporting period from April 6 through October 6, 2012 did not include deviations for failing to comply with the maximum allowable emissions rates for EPNs 6A and 6B during a quarterly engine test conducted on March 29, 2012, for failing to conduct quarterly visible emissions observations, and for failing to maintain records of the pressure gauge readings, inlet gas temperature readings, and incinerator firebox temperature [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O1512, General Terms and Conditions].
4. Failed to conduct quarterly visible emissions observations by a certified opacity reader. Specifically, quarterly visible emissions observations were not conducted by a certified opacity reader from June 30, 2012 to June 1, 2013 [30 TEX. ADMIN. CODE § 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O1512, STC No. 3].

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Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. On June 28, 2012, conducted a quarterly engine test that demonstrated compliance with the maximum allowable emissions rates for EPNs 6A and 6B;
- b. On June 1, 2013, began conducting quarterly visible emissions observations by a certified opacity reader; and
- c. On July 3, 2013, submitted records of quarterly visible emissions observations, inlet fuel gas temperature readings, pressure gauge readings, and incinerator firebox temperature readings.

Technical Requirements:

The Order will require the Respondent to:

- a. Within 30 days, implement measures and procedures to ensure all deviations are reported; and
- b. Within 45 days, submit written certification to demonstrate compliance with Ordering Provision a.

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: Carol McGrath, Enforcement Division,
Enforcement Team 5, MC R-13, (210) 403-4063; Candy Garrett, Enforcement Division,
MC 219, (512) 239-1456
TCEQ SEP Coordinator: N/A
Respondent: Martin L. Ryan, Vice President, GSF Energy, L.L.C., 680 Andersen
Drive, Pittsburgh, Pennsylvania 15220
Sharon Frank, Environmental and Safety Compliance Manager, GSF Energy, L.L.C.,
680 Andersen Drive, Pittsburgh, Pennsylvania 15220
Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

DATES	Assigned	3-Sep-2013	Screening	17-Oct-2013	EPA Due	25-May-2014
	PCW	6-May-2014				

RESPONDENT/FACILITY INFORMATION

Respondent	GSF Energy, L.L.C.				
Reg. Ent. Ref. No.	RN100222710				
Facility/Site Region	12-Houston		Major/Minor Source	Major	

CASE INFORMATION

Enf./Case ID No.	47855	No. of Violations	4
Docket No.	2013-1983-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Kimberly Morales
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$25,750**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **27.0%** Enhancement **Subtotals 2, 3, & 7** **\$6,952**

Notes: Enhancement for one NOV with same/similar violations, one NOV with dissimilar violations, and one order with denial of liability.

Culpability **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **-\$5,499**

Economic Benefit **0.0%** Enhancement* **Subtotal 6** **\$0**

Total EB Amounts \$237
Approx. Cost of Compliance \$7,100
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$27,203**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.3%** **Adjustment** **\$79**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Enhancement to capture the avoided costs of compliance associated with Violation No. 4.

Final Penalty Amount **\$27,282**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$27,282**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$5,456**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY **\$21,826**

Screening Date 17-Oct-2013

Docket No. 2013-1983-AIR-E

PCW

Respondent GSF Energy, L.L.C.

Policy Revision 3 (September 2011)

Case ID No. 47855

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100222710

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 27%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

Enhancement for one NOV with same/similar violations, one NOV with dissimilar violations, and one order with denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 27%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 27%

Screening Date 17-Oct-2013

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Respondent GSF Energy, L.L.C.

Policy Revision 3 (September 2011)

Case ID No. 47855

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100222710

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Permit No. 9635, Special Conditions ("SC") Nos. 1 and 2, and Federal Operating Permit ("FOP") No. O1512, Special Terms and Conditions ("STC") No. 7

Violation Description

Failed to comply with the maximum allowable emissions rates for Emissions Point Numbers ("EPNs") 6A and 6B during a quarterly engine test conducted on March 29, 2012. Specifically, EPN 6A exceeded the carbon monoxide ("CO") emissions rate of 4.85 pounds per hour ("lbs/hr") by 2.58 lbs/hr, the 2.0 grams of CO/brake horsepower-hour ("bhp-hr") limit by 1.06 grams of CO/bhp-hr, the nitrogen oxides ("NOx") emissions rate of 3.64 lbs/hr by 0.76 lb/hr, and the 1.5 grams of NOx/bhp-hr limit by 0.31 gram of NOx/bhp-hr, and EPN 6B exceeded the NOx emissions rate of 4.62 lbs/hr by 0.29 lb/hr and the 1.5 grams of NOx/bhp-hr limit by 0.08 gram of NOx/bhp-hr, resulting in the release of approximately 5,635 lbs of CO and 2,293 lbs of NOx.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

91 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$3,750

One quarterly event is recommended from the date of the March 29, 2012 engine test to the compliance date of June 28, 2012.

Good Faith Efforts to Comply

25.0% Reduction

\$937

Extraordinary

Ordinary

N/A

Notes

Before NOV NOV to EDPRP/Settlement Offer

X	

(mark with x)

The Respondent completed corrective actions on June 28, 2012, before the August 28, 2013 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$62

Violation Final Penalty Total \$3,837

This violation Final Assessed Penalty (adjusted for limits) \$3,837

Economic Benefit Worksheet

Respondent GSF Energy, L.L.C.
Case ID No. 47855
Reg. Ent. Reference No. RN100222710
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$5,000	29-Mar-2012	28-Jun-2012	0.25	\$62	n/a	\$62

Notes for DELAYED costs

Estimated cost to implement measures and procedures to comply with the maximum allowable emissions rates for EPNs 6A and 6B. The date required is the initial date of noncompliance. The final date is the date corrective actions were completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$62

Screening Date 17-Oct-2013

Docket No. 2013-1983-AIR-E

PCW

Respondent GSF Energy, L.L.C.

Policy Revision 3 (September 2011)

Case ID No. 47855

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100222710

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Permit No. 9635, SC Nos. 12A(4) and (5), and FOP No. O1512, STC Nos. 6 and 7

Violation Description

Failed to maintain records of the inlet gas temperature readings, pressure gauge readings, and incinerator firebox temperature readings. Specifically, records of the inlet fuel gas temperature readings, the monitored pressure gauge located between the rupture disc and the safety relief valve, and the incinerator firebox temperature readings demonstrating that the incinerator was operated with 99.5% efficiency were not maintained.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	X		

Percent 15.0%

Matrix Notes

The Respondent failed to comply with 100% of the rule requirement.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 3

6 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	X

Violation Base Penalty \$11,250

Three single events are recommended for the three sets of records not maintained.

Good Faith Efforts to Comply

25.0% Reduction

\$2,812

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	X
N/A	(mark with x)

Notes

The Respondent completed corrective actions on July 3, 2013, before the August 28, 2013 NOE.

Violation Subtotal \$8,438

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$11,509

This violation Final Assessed Penalty (adjusted for limits) \$11,509

Economic Benefit Worksheet

Respondent GSF Energy, L.L.C.
Case ID No. 47855
Reg. Ent. Reference No. RN100222710
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$500	27-Jun-2013	3-Jul-2013	0.02	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to implement measures and procedures to ensure records are maintained. The date required is the date of the investigation. The final date is the date that corrective actions were completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$500

TOTAL

\$0

Screening Date 17-Oct-2013

Docket No. 2013-1983-AIR-E

PCW

Respondent GSF Energy, L.L.C.

Policy Revision 3 (September 2011)

Case ID No. 47855

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100222710

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), Tex. Health & Safety Code § 382.085(b), and FOP No. O1512, General Terms and Conditions

Violation Description

Failed to report all instances of deviations. Specifically, the semiannual deviation report for the reporting period from April 6 through October 6, 2012 did not include deviations for failing to comply with the maximum allowable emissions rates for EPNs 6A and 6B during a quarterly engine test conducted on March 29, 2012, for failing to conduct quarterly visible emissions observations, and for failing to maintain records of the pressure gauge readings, inlet gas temperature readings, and incinerator firebox temperature.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 15.0%

Matrix Notes

The Respondent failed to comply with more than 70% of the rule requirement.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

183 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$3,750

One single event is recommended for the incomplete report.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV		NOV to EDPRP/Settlement Offer
	Extraordinary	Ordinary	
N/A	x		(mark with x)

Notes The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$49

Violation Final Penalty Total \$4,776

This violation Final Assessed Penalty (adjusted for limits) \$4,776

Economic Benefit Worksheet

Respondent GSF Energy, L.L.C.
Case ID No. 47855
Reg. Ent. Reference No. RN100222710
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description No commas or \$						

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$500	5-Nov-2012	27-Oct-2014	1.98	\$49	n/a	\$49

Notes for DELAYED costs

Estimated cost to implement measures and procedures to ensure all deviations are reported. The date required was the due date for the semiannual deviation report. The final date is the date that corrective actions are expected to be completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$500

TOTAL

\$49

Screening Date 17-Oct-2013

Docket No. 2013-1983-AIR-E

PCW

Respondent GSF Energy, L.L.C.

Policy Revision 3 (September 2011)

Case ID No. 47855

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100222710

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code § 122.143(4), Tex. Health & Safety Code § 382.085(b), and FOP No. 01512, STC No. 3

Violation Description

Failed to conduct quarterly visible emissions observations by a certified opacity reader. Specifically, quarterly visible emissions observations were not conducted by a certified opacity reader from June 30, 2012 to June 1, 2013.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			x

Percent 7.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$23,250

\$1,750

Violation Events

Number of Violation Events 4

336 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$7,000

Four single events are recommended for the observations that were not conducted for the four calendar quarters from June 30, 2012 to June 1, 2013.

Good Faith Efforts to Comply

25.0% Reduction

\$1,750

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes

The Respondent completed corrective actions on June 1, 2013, before the August 28, 2013 NOE.

Violation Subtotal \$5,250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$125

Violation Final Penalty Total \$7,161

This violation Final Assessed Penalty (adjusted for limits) \$7,161

Economic Benefit Worksheet

Respondent GSF Energy, L.L.C.

Case ID No. 47855

Reg. Ent. Reference No. RN100222710

Media Air

Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description No commas or \$						

Delayed Costs

Equipment			0.00	\$0	\$0	\$0
Buildings			0.00	\$0	\$0	\$0
Other (as needed)			0.00	\$0	\$0	\$0
Engineering/construction			0.00	\$0	\$0	\$0
Land			0.00	\$0	n/a	\$0
Record Keeping System			0.00	\$0	n/a	\$0
Training/Sampling			0.00	\$0	n/a	\$0
Remediation/Disposal			0.00	\$0	n/a	\$0
Permit Costs			0.00	\$0	n/a	\$0
Other (as needed)	\$1,000	30-Jun-2012	1-Jun-2013	0.92	\$46	\$46

Notes for DELAYED costs

Estimated cost to conduct quarterly visible emissions observations. The date required is the date the first quarterly observation was due. The final date is the date that corrective actions were completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal			0.00	\$0	\$0	\$0
Personnel			0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling	\$100	30-Jun-2012	31-Mar-2013	0.75	\$4	\$75
Supplies/equipment			0.00	\$0	\$0	\$0
Financial Assurance [2]			0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]			0.00	\$0	\$0	\$0
Other (as needed)			0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Estimated avoided cost to conduct quarterly visible emissions observations (\$25 per quarterly observation for four quarters). The date required is the date the first quarterly observation was due. The final date is the date the last quarterly observation was due.

Approx. Cost of Compliance

\$1,100

TOTAL

\$125



Compliance History Report

PUBLISHED Compliance History Report for CN600131262, RN100222710, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

Customer, Respondent, or Owner/Operator:	CN600131262, GSF Energy, L.L.C. dba McCarty Road Landfill Gas Recovery Facility	Classification: SATISFACTORY	Rating: 4.31
Regulated Entity:	RN100222710, MCCARTY ROAD LANDFILL GAS RECOVERY FACILITY	Classification: SATISFACTORY	Rating: 4.31
Complexity Points:	12	Repeat Violator:	NO
CH Group:	14 - Other		
Location:	9416 LEY RD HOUSTON, TX 77078-4416, HARRIS COUNTY		
TCEQ Region:	REGION 12 - HOUSTON		

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HG1399S
POLLUTION PREVENTION PLANNING ID NUMBER P01179

AIR OPERATING PERMITS PERMIT 1512
MUNICIPAL SOLID WASTE PROCESSING PERMIT 1777

AIR NEW SOURCE PERMITS PERMIT 9635
AIR NEW SOURCE PERMITS ACCOUNT NUMBER HG1399S
AIR EMISSIONS INVENTORY ACCOUNT NUMBER HG1399S

AIR NEW SOURCE PERMITS REGISTRATION 37368
AIR NEW SOURCE PERMITS AFS NUM 4820100552
INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXD981611403
STORMWATER PERMIT TXR05BX69

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE
REGISTRATION # (SWR) 72146

Compliance History Period: September 01, 2008 to August 31, 2013 **Rating Year:** 2013 **Rating Date:** 09/01/2013

Date Compliance History Report Prepared: May 06, 2014

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: May 06, 2009 to May 06, 2014

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Kimberly Morales

Phone: (713) 422-8938

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

- 1 Effective Date: 03/21/2013 ADMINORDER 2012-1601-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: SC Nos. 1 and 2 PERMIT
STC No. 7 PERMIT
Description: Failed to comply with the maximum allowable emission rate (MAER) for NOx.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	September 28, 2009	(747396)
Item 2	October 12, 2010	(850156)
Item 3	August 18, 2011	(948998)
Item 4	November 18, 2013	(1121001)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	05/13/2013	(1087324)	CN600131262	
	Self Report?	NO		Classification:	Minor
	Citation:	30 TAC Chapter 335, SubChapter A 335.6(c)			
	Description:	Failure to update the Notice of Registration			
	Self Report?	NO		Classification:	Moderate
	Citation:	30 TAC Chapter 335, SubChapter C 335.69(a)(1)			
		40 CFR Chapter 265, SubChapter I, PT 265, SubPT I 265.174			
	Description:	Failure to conduct adequate inspections			
2	Date:	08/28/2013	(1094683)	CN600131262	
	Self Report?	NO		Classification:	Minor
	Citation:	30 TAC Chapter 117, SubChapter B 117.340(h)			
		30 TAC Chapter 122, SubChapter B 122.143(4)			
		Special Terms and Condition 1A OP			
	Description:	Failure to pass the biennial emission tests for engine 6B NOx emissions. Category B18			

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
GSF ENERGY, L.L.C.
RN100222710**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2013-1983-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding GSF Energy, L.L.C. ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a landfill gas recovery facility at 9416 Ley Road in Houston, Harris County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about September 2, 2013.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Twenty-Seven Thousand Two Hundred Eighty-Two Dollars (\$27,282) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twenty-One Thousand Eight Hundred Twenty-Six Dollars (\$21,826) of the administrative penalty

- and Five Thousand Four Hundred Fifty-Six Dollars (\$5,456) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.
7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
 8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
 9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On June 28, 2012, conducted a quarterly engine test that demonstrated compliance with the maximum allowable emissions rates for Emissions Point Numbers ("EPNs") 6A and 6B;
 - b. On June 1, 2013, began conducting quarterly visible emissions observations by a certified opacity reader; and
 - c. On July 3, 2013, submitted records of quarterly visible emissions observations, inlet fuel gas temperature readings, pressure gauge readings, and incinerator firebox temperature readings.
 10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
 11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
 12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to comply with the maximum allowable emissions rates for EPNs 6A and 6B during a quarterly engine test conducted on March 29, 2012, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 9635, Special Conditions ("SC") Nos. 1 and 2, and Federal Operating Permit ("FOP") No. 01512, Special Terms and Conditions ("STC") No. 7, as documented during

an investigation conducted on June 27, 2013. Specifically, EPN 6A exceeded the carbon monoxide ("CO") emissions rate of 4.85 pounds per hour ("lbs/hr") by 2.58 lbs/hr, the 2.0 grams of CO/brake horsepower-hour ("bhp-hr") limit by 1.06 grams of CO/bhp-hr, the nitrogen oxides ("NOx") emissions rate of 3.64 lbs/hr by 0.76 lb/hr, and the 1.5 grams of NOx/bhp-hr limit by 0.31 gram of NOx/bhp-hr, and EPN 6B exceeded the NOx emissions rate of 4.62 lbs/hr by 0.29 lb/hr and the 1.5 grams of NOx/bhp-hr limit by 0.08 gram of NOx/bhp-hr, resulting in the release of approximately 5,635 lbs of CO and 2,293 lbs of NOx.

2. Failed to maintain records of the inlet gas temperature readings, pressure gauge readings, and incinerator firebox temperature readings, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 9635, SC Nos. 12A(4) and (5), and FOP No. 01512, STC Nos. 6 and 7, as documented during an investigation conducted on June 27, 2013. Specifically, records of the inlet fuel gas temperature readings, the monitored pressure gauge located between the rupture disc and the safety relief valve, and the incinerator firebox temperature readings demonstrating that the incinerator was operated with 99.5% efficiency were not maintained.
3. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. 01512, General Terms and Conditions, as documented during an investigation conducted on June 27, 2013. Specifically, the semiannual deviation report for the reporting period from April 6 through October 6, 2012 did not include deviations for failing to comply with the maximum allowable emissions rates for EPNs 6A and 6B during a quarterly engine test conducted on March 29, 2012, for failing to conduct quarterly visible emissions observations, and for failing to maintain records of the pressure gauge readings, inlet gas temperature readings, and incinerator firebox temperature.
4. Failed to conduct quarterly visible emissions observations by a certified opacity reader, in violation of 30 TEX. ADMIN. CODE § 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. 01512, STC No. 3, as documented during an investigation conducted on June 27, 2013. Specifically, quarterly visible emissions observations were not conducted by a certified opacity reader from June 30, 2012 to June 1, 2013.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to

"TCEQ" and shall be sent with the notation "Re: GSF Energy, L.L.C., Docket No. 2013-1983-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. It is further ordered that the Respondent shall undertake the following technical requirements:

- a. Within 30 days after the effective date of this Agreed Order, implement measures and procedures to ensure all deviations are reported; and
- b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.

4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Pamela Narvaez
For the Executive Director

9/11/14
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Mat 2 Jan
Signature

6/30/2014
Date

Martin L. Ryan
Name (Printed or typed)
Authorized Representative of
GSF Energy, L.L.C.

Vice President
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.